

New England Economic Snapshot

December 2010

Summary

The data continue to paint a mixed picture of a regional economy that has escaped from recession but still waits for a vigorous expansion.

Regional payroll employment grew by 24,000 jobs in October—almost completely erasing the reduction of 25,700 that occurred in September and implying that employment has expanded by about three-fourths of one percent over the last year, roughly in line with expansion in the nation.

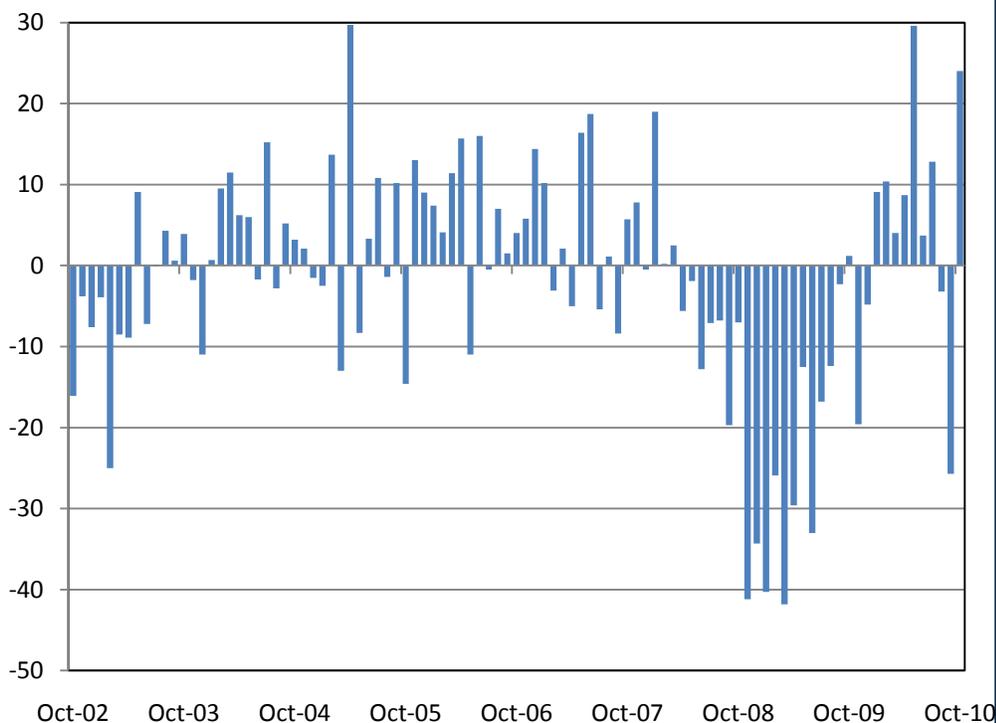
Total Employment:

According to the latest seasonally-adjusted payroll-employment figures from the BLS, New England gained 24,000 jobs in October, following a loss of 25,700 jobs in September.

All six New England states gained jobs in October, while only Massachusetts, New Hampshire, and Vermont registered year-over-year employment gains.

Since October 2009, New Hampshire has fared best, with a 2.6 percent increase in employment, while Rhode Island has fared worst, with a 0.8 percent decrease. Similarly, New Hampshire is the closest to its pre-recession peak, in both nominal and percentage terms, standing 1.8 percent (11,800 jobs) short; Rhode Island is farthest away, 9.2 percent (45,500 jobs) below its peak. The remaining four states each stand 4.6 to 5.9 percent below their peak levels.

Monthly Employment Change in New England

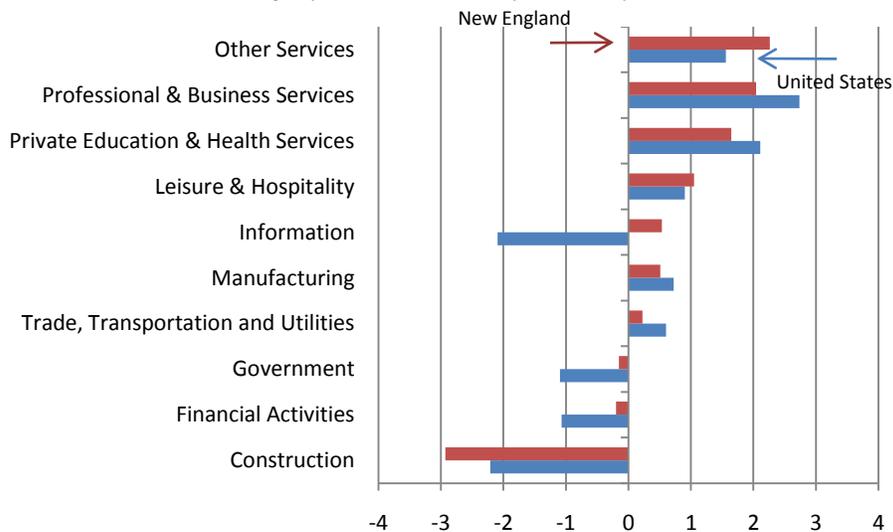


Source: U.S. Bureau of Labor Statistics/Haver Analytics.
Note: Data are seasonally adjusted.

Employment Growth by Industry:

In a further continuation of recent trends, the pace of year-over-year job losses slowed in October in the financial-activities sector for both the region and the nation, with New England's losses concentrated in the real estate, rental, and leasing industry, rather than in finance and insurance, which actually gained jobs. Construction took the largest year-over-year loss in the region (down 2.9 percent), although it added jobs in October. In manufacturing, regional employment entered a second consecutive month of year-over-year growth (0.5 percent), while New England's trade, transportation, and utilities sector turned a year-over-year increase in October for the first time since April 2008. The strongest sectors in the region were "other services," professional and business services and private education and health services.

Employment Growth by Industry



Source: U.S. Bureau of Labor Statistics/Haver Analytics.
Note: Data are seasonally adjusted. New England figure for "Information" includes only CT, MA, and NH.

Unemployment:

The payroll-employment figures indicate that the region gained jobs in October, and the unemployment data support this positive news. New England's unemployment fell to 8.2 percent in October, down from its September level of 8.4 percent and February high of 9.2. Nationally, October unemployment held steady at 9.6 percent for the third consecutive month, down from its October 2009 peak of 10.1 percent.

The regional decline in unemployment was led by Massachusetts and Maine, which each saw unemployment fall by 0.3 percentage points in October, to 7.4 and 8.1 percent, respectively. These followed on the heels of 0.4 and 0.3 percentage-point declines in September, respectively, the largest-ever month-over-month decline for Massachusetts and the largest for Maine since 1991.

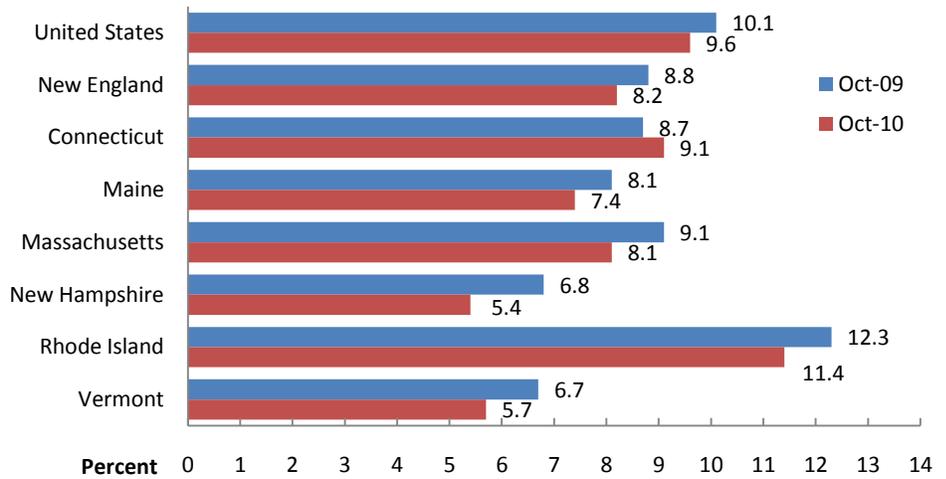
Alternative Measures:

Labor-force participation rates in all six New England states increased or held constant in October, which underscores the strength of reductions in the unemployment rate.

Initial Claims:

Initial claims for unemployment insurance fell for the second consecutive month in October, following a spike in August in both New England and the United States as a whole. Claims in the region and, to a lesser extent, the country have been volatile since the beginning of 2010, prior to which they had declined strongly since the beginning of 2009. Year-over-year to October, average claims per week were down 9.4 percent in New England (to just over 24,600) and down 13.1 percent for the U.S.

Unemployment in the United States and New England



Source: U.S. Bureau of Labor Statistics/Haver Analytics.
Note: Data are seasonally adjusted.

Alternative Measures of Unemployment

Location	Labor-Force Participation			Unemployment		
	Current (October)	Last Report (September)	Cycle Peak (Dec. 2007)	Current (October)	Last Report (September)	Cycle Peak (Dec. 2007)
United States	64.5%	64.7%	66.0%	9.6%	9.6%	4.7%
Connecticut	68.2%	68.1%	68.4%	9.1%	9.1%	4.9%
Maine	65.0%	65.0%	66.3%	7.4%	7.7%	4.8%
Massachusetts	65.6%	65.6%	66.8%	8.1%	8.4%	4.4%
New Hampshire	70.2%	70.0%	70.9%	5.4%	5.5%	3.4%
Rhode Island	68.0%	67.9%	68.6%	11.4%	11.5%	5.8%
Vermont	70.2%	70.1%	70.5%	5.7%	5.8%	4.0%

Source: U.S. Bureau of Labor Statistics/Haver Analytics.

Average Number of Initial Claims per Week

	October 2009	October 2010	Percent Change
United States	522,400	453,800	-13.1%
New England	24,651	22,338	-9.4%
Connecticut	6,330	6,348	0.3%
Maine	2,172	1,293	-11.5%
Massachusetts	10,272	9,109	-11.3%
New Hampshire	2,276	1,795	-21.1%
Rhode Island	2,235	2,265	-3.0%
Vermont	1,267	898	-29.1%

Source: U.S. Department of Labor and Federal Reserve Bank of Boston (States) and U.S. Department of Labor and Federal Reserve Board of Governors (U.S.).